

ER 61-5977/a

9 AUG 1961

Mr. M. J. Rathbone, President
Standard Oil Company
30 Rockefeller Plaza
New York 20, New York

Dear Mr. Rathbone:

Thank you for your letter of 20 July providing us with characteristics of various Soviet crude oils which have been delivered or offered to the Free World.

We have studied this information and our staff has prepared the attached memorandum which may be of interest to you.

Sincerely,

SIGNED

Allen W. Dulles
Director

OAD/RR/ [redacted] (31 Jul 61)

Rewritten: O/DCI/ [redacted] d (8 Aug 61)

Original letter concurred in by [redacted] and Acting DD/I

Orig - Addressee

1 - DCI *Via leading*

1 - DDCI

✓ 1 - ER

2 - DD/I

2 - AD/RR (*w/ have*)

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1 - Ch/E

1 - D/M

2 - M/FP

(EXECUTIVE SECRETARY)

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SUBJECT: Quality Characteristics of Soviet Crude Oil

From the samples furnished, it is apparent that the refining of Soviet crudes does not present serious problems to the recipient nations. The sampling also provides positive indication that these specifications are representative of the quality of crudes coming into the Free World from the USSR. It appears that the Soviets are using crude from two of their newest, largest, and least costly producing areas--Mukhonovo and Romashkino--for support of a sizable segment of their export activity.

Soviet source reports are replete with references to the high sulfur and salt contents which characterize Urals-Volga crude oils. It seems to us that as Soviet oil exports continue to grow, more dependence may have to be placed on these lower quality crudes for the supplies required. Members of the US petroleum industry delegation which visited the USSR last year about this time reported that some Russian crude oils contained as much as 1,600 pounds of salt per 1,000 barrels and that the Soviets were unable to reduce this to less than 15 to 20 pounds per 1,000 barrels. There also is evidence that Soviet crudes shipped to Italy and Cuba contained excessive amounts of sodium and magnesium salts. Moreover, there have been reports that Russian crudes with salt contents of 15 pounds per 1,000 barrels are more troublesome to refiners than Middle East crudes with as much as 20 pounds of salt per 1,000 barrels.

Among the most useful source references with regard to quality characteristics of Soviet crudes are the following books:

Robinsan, E. A., Nefti tatarskoy ASSR (Crude Oils of the Tatar ASSR), Moscow, 1960

Pavlova, S. N., et al., Nefti vostochnykh rayonov SSSR (Crude Oils of the Eastern Regions of the USSR), Leningrad, 1958

Permyakov, I. G., Razrabotka tuymazinskogo neftyanogo mestorozhdeniya (Development of the Tuymazinskoye Oil Field), Moscow, 1959

61-59776

Mr. M. J. Rathbone, President
Standard Oil Company
30 Rockefeller Plaza
New York 20, New York

Dear Mr. Rathbone:

Thank you for your letter of 20 July 1961, providing us with characteristics of various Soviet crude oils which have been delivered or offered to the Free World. Certainly it can be inferred from the distribution of the samples which you forwarded to us that the Soviets are delivering, and have delivered, against specifications called for by purchasers and, therefore, that the refining of Soviet crudes by recipient nations should not present serious problems. The sampling also provides positive indication that these specifications are representative of the quality of crudes coming into the Free World from the USSR. It appears that the Soviets are using crude from two of their newest, largest, and least costly producing areas -- Mukhanovo and Romashkino -- for export of a sizable segment of their export activity.

Soviet source reports are replete with references to the high sulfur and salt contents which characterize Urals-Volga crude oils. It seems to us that as Soviet oil exports continue to grow more dependence may have to be placed on these lower quality crudes for the supplies required. As you may recall, members of the US petroleum industry delegation which visited the USSR last year about this time reported that some Russian crude oils contained as much as 1,600 pounds of salt per 1,000 barrels and that the Soviets were unable to reduce this to less than 15 to 20 pounds per 1,000 barrels. There also is evidence that Soviet crudes shipped to Italy and Cuba contained excessive amounts of sodium and magnesium salts. Moreover, there have been reports that Russian crudes with salt contents of 15 pounds per 1,000 barrels are more troublesome to refiners than Middle East crudes with as much as 20 pounds of salt per 1,000 barrels.

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Permyakov, I. G., Razrabotka tumezinskogo neftyanogo mestorozhdeniya (Development of the Tumez Oil Field), Moscow, 1959

If you are unable to obtain copies of these books in the New York area, please feel free to ask [redacted] to obtain reproductions for you.

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Sincerely,

Allen W. Dulles
Director

Distribution:

Orig. and 1 - Addressee

✓ 2 - DCI
1 - DDCI
2 - DD/I
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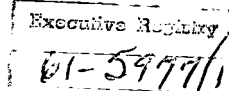
(31 Jul 61)

APPROVED:

Acting

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SENDER WILL CHECK CLASSIFICATION			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	Deputy Director (Intelligence)	<i>ms</i>	JUL 26 1961
2	<i>AD/RR</i>	<i>a</i>	31 Jul 61
3	<i>DD/I</i>	<i>Oh</i>	1 Aug
4	<i>SCI</i>		
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
<p>Remarks:</p> <p>For your information and preparation of an appropriate reply for the Director's signature.</p> <p><i>Dec 0/DD/I - 1 August</i></p> <p>SUSPENSE: 2 August 1961</p> <p>STAT</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Asst. to the DCI			7/25/61
CONFIDENTIAL			SECRET



31 JUL 1961

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy Director/Intelligence *Sh-1 Aug 61*
SUBJECT: Reply to Letter from the President of Standard Oil Company (New Jersey) on Analysis and Quality Characteristics of Soviet Crude Oil
REFERENCES: (a) Letter from Mr. M. J. Rathbone, President, Standard Oil Company of New Jersey, to DCI, dated 23 May 1961
(b) Letter from the DCI to Mr. Rathbone, dated 10 June 1961
(c) Letter from Mr. Rathbone to the DCI, dated 20 July 1961

1. This memorandum contains a recommendation for action as set forth in paragraph 6.

2. Mr. Rathbone's letter to you, reference (a), and your reply, reference (b), discussed the question of Soviet oil exports, with particular reference to quality characteristics of Soviet crude oils being exported to the Free World. Your answer pointed out that we believed that the "average" quality of Soviet crude exports might be somewhat lower than indicated in the attachment to Mr. Rathbone's letter, reference (a).


3. Mr. Rathbone's most recent letter, reference (c), provides a rather wide sampling of Soviet crudes which were delivered or offered to Free World purchasers. The assays presented in his latest letter support Mr. Rathbone's opinion that the crudes being exported from the USSR are

of competitive quality, and the "average" may, in fact, be higher than we heretofore have had reason to believe.

4. The recommended reply to Mr. Rathbone's letter of 20 July 1961 provides some specific information for our estimate that the quality of Soviet crudes might impose some restrictions on the quantities that could be exported to the Free World, namely, that Soviet crudes have been reported to contain excessive amounts of salt.

5. The recommended reply to Mr. Rathbone also provides references to several Soviet books which contain information on quality characteristics of their crudes, and the reply offers the services of the

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 if requested, in obtaining copies of these books.

6. It is recommended that the attached letter be signed.



Assistant Director
Research and Reports

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Enclosure:

Letter to Mr. Rathbone.